

637.12  
11/3a 1-3  
1996 Nov

# DEPARTMENT OF LIVESTOCK



MARC RACICOT, GOVERNOR

301 N ROBERTS ST - RM 336  
PO BOX 202001  
HELENA, MONTANA 59620-2001

## STATE OF MONTANA

(406) 444-2875 MILK CONTROL BUREAU

(406) 444-1432 FAX

### BEFORE THE BOARD OF MILK CONTROL OF THE STATE OF MONTANA ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES

PUBLISHED: November 6, 1996

EFFECTIVE: December 1, 1996

12:01 a.m.

Due to the latest data available as of November 6, 1996, as applied to the Producer Formula the Producer Formula Index has been calculated to be 291.40. (Docket #69-84, first price announcement effective 7/01/84)

#### MINIMUM PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(3)

EFFECTIVE **DECEMBER 1, 1996**, the minimum price to be paid milk producers, under ARM 32.24.301, will be \$16.68 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of twelve and one-half cents for each one-tenth of one percent butterfat above or below the midpoint to each producer payment. The value of one pound of butterfat utilized will be one dollar and twenty-five cents (\$1.25).

#### MINIMUM PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(4)

=====

CLASS II PRICE FOR MILK TESTING 3.5%

=====

\$13.90 /CWT

Average spray process dry milk solids

price per pound = \$1.30750

Multiplied by 8.2 x 8.2

-----  
\$10.72150

PLUS +

Average Grade 'A' 92 score butter

price per pound = \$1.06500

Multiplied by 4.2 x 4.2

-----  
\$4.47300

+ \$4.47300

LESS 8.5% ( \$15.19450 X .085)

-----  
\$15.19450

- \$1.29153

-----  
\$13.90297

Rounded to the nearest whole cent = \$13.90/hundredweight.

PLEASE RETURN

## =====

CLASS II BUTTERFAT PRICE PER POUND \$1.20 /LB

=====

Butterfat differential	(	\$1.06500	X	.111	)	=	\$0.11822
Rounded to the nearest half cent	=						\$0.120

=====

CLASS II VALUE OF ONE POUND OF SKIM \$0.10052 /LB

=====

Butterfat value per pound	=	\$1.20
for milk at 3.5% test:		

Hundredweight price of milk testing 3.5%	=	\$13.90
LESS 3.5 pounds of butterfat at	\$1.20 per pound	- \$4.200

Value of 96.5 pounds of skim	=	\$9.700
------------------------------	---	---------

Value of one pound of skim	(	9.700 ÷ 96.5 pounds)	=	\$0.10052 /LB
----------------------------	---	----------------------	---	---------------

## =====

PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(5)

=====

=====

CLASS III BUTTERFAT PRICE PER POUND \$0.96 /LB

=====

Avg. Grade 'A' 92 score butter price/LB	\$1.06500
LESS 10%	- \$0.10650
	-----
	\$0.95850

Rounded to the nearest whole cent	=	\$0.96 per pound.
-----------------------------------	---	-------------------

=====

CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED \$8.90 /CWT

=====

Avg. spray process dry milk solid price/LB	\$1.30750
Multiplied by 8.2	x 8.2

-----

\$10.72150

LESS 17%	-	\$1.82266
----------	---	-----------

-----

\$8.89884

Rounded to the nearest whole cent	=	\$8.90 per hundredweight.
-----------------------------------	---	---------------------------

=====

CLASS III PRICE PER CWT FOR MILK TESTING 3.5% \$11.95 /CWT

=====

3.5 pounds of butterfat	x	\$0.96 per pound =	\$3.360
96.5 pounds of skim	x	\$0.08899 per pound =	\$8.588

-----

\$11.948 /CWT

BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by: Marilyn M. Koontz  
 Marilyn M. Koontz, Program Specialist  
 Montana Milk Control Bureau

=====

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

=====

CLASS I SKIM PRICE BASED ON		CLASS II SKIM PRICE BASED ON		CLASS III SKIM PRICE BASED ON	
\$16.68 FOR 3.5% MILK		\$13.90 FOR 3.5% MILK		\$11.95 FOR 3.5% MILK	
96.5 LBS	= \$12.305	96.5 LBS	= \$9.700	96.5 LBS	= \$8.588
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	\$0.12621	2.50	\$0.09949	2.50	\$0.08808
2.55	\$0.12627	2.55	\$0.09954	2.55	\$0.08812
2.60	\$0.12633	2.60	\$0.09959	2.60	\$0.08817
2.65	\$0.12640	2.65	\$0.09964	2.65	\$0.08821
2.70	\$0.12646	2.70	\$0.09969	2.70	\$0.08826
2.75	\$0.12653	2.75	\$0.09974	2.75	\$0.08830
2.80	\$0.12659	2.80	\$0.09979	2.80	\$0.08835
2.85	\$0.12666	2.85	\$0.09985	2.85	\$0.08839
2.90	\$0.12673	2.90	\$0.09990	2.90	\$0.08844
2.95	\$0.12679	2.95	\$0.09995	2.95	\$0.08849
3.00	\$0.12686	3.00	\$0.10000	3.00	\$0.08853
3.05	\$0.12692	3.05	\$0.10005	3.05	\$0.08858
3.10	\$0.12699	3.10	\$0.10010	3.10	\$0.08862
3.15	\$0.12705	3.15	\$0.10015	3.15	\$0.08867
3.20	\$0.12712	3.20	\$0.10021	3.20	\$0.08871
3.25	\$0.12718	3.25	\$0.10026	3.25	\$0.08876
3.30	\$0.12725	3.30	\$0.10031	3.30	\$0.08881
3.35	\$0.12732	3.35	\$0.10036	3.35	\$0.08885
3.40	\$0.12738	3.40	\$0.10041	3.40	\$0.08890
3.45	\$0.12745	3.45	\$0.10047	3.45	\$0.08894
3.50	\$0.12751	3.50	\$0.10052	3.50	\$0.08899
3.55	\$0.12758	3.55	\$0.10057	3.55	\$0.08904
3.60	\$0.12765	3.60	\$0.10062	3.60	\$0.08908
3.65	\$0.12771	3.65	\$0.10067	3.65	\$0.08913
3.70	\$0.12778	3.70	\$0.10073	3.70	\$0.08917
3.75	\$0.12784	3.75	\$0.10078	3.75	\$0.08922
3.80	\$0.12791	3.80	\$0.10083	3.80	\$0.08927
3.85	\$0.12798	3.85	\$0.10088	3.85	\$0.08931
3.90	\$0.12804	3.90	\$0.10094	3.90	\$0.08936
3.95	\$0.12811	3.95	\$0.10099	3.95	\$0.08941
4.00	\$0.12818	4.00	\$0.10104	4.00	\$0.08945
4.05	\$0.12824	4.05	\$0.10109	4.05	\$0.08950
4.10	\$0.12831	4.10	\$0.10115	4.10	\$0.08955
4.15	\$0.12838	4.15	\$0.10120	4.15	\$0.08959
4.20	\$0.12844	4.20	\$0.10125	4.20	\$0.08964
4.25	\$0.12851	4.25	\$0.10131	4.25	\$0.08969
4.30	\$0.12858	4.30	\$0.10136	4.30	\$0.08973
4.35	\$0.12865	4.35	\$0.10141	4.35	\$0.08978
4.40	\$0.12871	4.40	\$0.10146	4.40	\$0.08983
4.45	\$0.12878	4.45	\$0.10152	4.45	\$0.08987
4.50	\$0.12885	4.50	\$0.10157	4.50	\$0.08992

